JPRS-JAR-85-021 26 September 1985

Japan Report

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JAPAN REPORT

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JAPAN TO ASK ROK COOPERATION ON U.S. PROTECTIONISM

OW231141 Tokyo KYODO in English 1120 GMT 23 Aug 85

/Text/ Tokyo, 23 Aug KYODO--Japan will ask South Korea to take joint action against the protectionism now growing in the U.S. Congress when cabinet members of the two countries meet in Seoul next week in a regular ministerial meeting, Japanese Government sources said Friday.

The action will be aimed at checking U.S. congressional moves to place import surcharges on Japanese and South Korean products as well as to move forward a general meeting of the General Agreement on Tariffs and Trade (GATT) organized for a new round of multiateral trade negotiations.

Both Japan and South Korea had a trade surplus with the United States in 1984, with Japan registering 37 billion dollars and South Korea 2.8 billion dollars.

The sources said Japan and South Korea share a concern over rising protectionism in the United States but that it remains to be seen if Seoul vill make any visible step to join Tokyo against the American protectionism sentiment.

Foreign Minister Shintaro Abe and International Trade and Industry Minister Keijiro Murata are among six Japanese cabinet ministers who will take part in the 13th bilateral conference set for 29-30 August in Seoul.

The sources said the U.S. Congress is expected to take action, probably in October, against Japan, South Korea and other countries primarily responsible for a huge U.S. trade deficit.

They said South Korea is already voluntarily restricting its exports of TV sets and textile products to the United States and any new protectionist movement would be a serious blow to the country.

BUSINESS LEADER BACKS THIRD TERM FOR NAKASONE

OW210405 Tokyo KYODO in English 0354 GMT 21 Aug 85

/Text/ Yamagata, 21 Aug KYODO--Bunpei Otsuki, chairman of the Japan Federation of Employers' Associations, Wednesday expressed support for Prime Minister Yasuhiro Nakasone to stay in office beyond his second 2-year term which ends in November next year.

Otsuki, speaking to reporters here, also said Japan cannot afford to quarrel with the United States and must make sacrifices in order to defuse the worsening trade frictions between the two countries.

"It is a pity that the prime minister should be replaced in the midst of administrative, educational and other reforms," Otsuki told a news conference here.

"I think we should make the activist Mr Nakasone stay longer in office," he said.

Otsuki, who arrived here earlier Wednesday to attend a regional congress of employers, was the girst business leader to make a public statement of support for Nakasone to run for a third term as president of the ruling Liberal Democratic Party, and hence prime minister.

Current LDP rules limit the party presidency to a maximum of two 2-year terms.

Turning to trade issues, Otsuki stressed that Japan must act more vigorously to open up its markets even at the cost of inflicting econoic pains on the country.

"We must go to the point where it starts hurting us a bit," he said. "Otherwise, it won't do for we are not in a position to quarrel with the United States."

Otsuki also said Japan should not worry about a potential dip in the pace of its economic growth so long as the economy is stable.

He suggested the country should be happy with a "low rate" of economic growth that stays at around three percent.

"We shouldn't make a fuss of it if the economy is stable, even at low growth," he said.

TAKESHITA TOP FUNDRAISER OF LDP CANDIDATES

OW021057 Tokyo KYODO in English 1027 GMT 2 Sep 85

[Text] Tokyo, 2 Sep Kyodo--Finance Minister Noboru Takeshita has emerged as the top political fund-raiser among a group of leaders of the ruling liberaldemocratic party (LDP) aspiring to the prime ministership, according to a government political fund report.

The report, compiled by the home affairs ministry, showed that Takeshita, a leading prime ministerial contender from the Tanaka faction, collected 924 million yen in political funds in 1984.

Foreign Minister Shintaro Abe, Takeshita's rival in the Prime Ministerial race, collected 924 million yen in political funds in 1984.

Foreign minister Shintaro Abe, Takeshita's rival in the prime ministerial race, collected 759 million yen, the second highest figure, followed by Michio Watanabe, a leading member of the faction of Prime Minister Yasuhiro Nakasone, who raised 599 million yen.

Kiichi Miyazawa, Chairman of the LDP's executive council and another leading prime ministerial aspirant, was fourth most successful with 416 million yen.

Apart from being the top fund-raiser, Takeshita also managed to boost the money he raised over the previous year, while most of his political rivals suffered sharp drops.

The decline, political analysts said, can be largely attributed to the absence of costly nationwide elections during the year.

In Japan, most influential politicians have personal benefactors, independent of funds donated to parties or factions.

Such individual sources of political income are most prominent within the business-backed LDP, and the amount of political funds raised by Takeshita, for instance, rivaled Komeito's 9.25 billion yen and exceeded the 6.32 billion collected by the Japan Socialist Party, the top opposition party.

Factionwise, the LDP faction under the leadership of former Prime Minister Takeo Fukuda replaced Nakasone's as the top political-fund raiser in 1984.

The Fukuda faction, the third-largest within the LDP, reported income of 1.171 billion yen, compared to 1.09 billion yen reported by the Nakasone faction.

Overall, the five major LDP factions collected 4.037 billion yen in political contributions.

The home affairs ministry report, however, does not reflect the overall financial strength of the various LDP factions, as most of them operate a dual fund-raising system, one by the faction and the other by its most influential members.

According to report, the Tanaka faction, the largest within the LDP, ranks as one of the lowest in terms of factional income, but the faction controls powerful political fund-raising machinery through Takeshita, or Tanaka's own constituency support group, "Etsuzankai."

JSP LEADER TALKS ON FORTHCOMING USSR VISIT

OW021311 Tokyo KYODO in English 1243 GMT 2 Sep 85

[Text] Tokyo, 2 Sep Kyodo--The leader of Japan's main opposition party, Masashi Ishibashi, said Monday he hopes to help pave the way for Japan and the Soviet Union to conclude a peace treaty.

Ishibashi, chairman of the Japan socialist party, who is scheduled to leave September 14 for a 12-day tour of the Soviet Union and East Germany, said he will regard the visit as successful if it helps create an atmosphere for such a pact.

Heading a 13-member delegation, Ishibashi will visit the Soviet Union September 14-21 and East Germany September 21-25. In Moscow, he expects to meet with Communist Party Leader Mikhail Gorbachev.

Ishibashi said his visit will be a good chance for the Kremlin to reveal its position toward the U.S.-Soviet Summit Meeting scheduled for November 19-20 in Geneva.

The socialist party leader said he expects the two superpowers to expand dialogue, improve ties and to promote disarmament talks.

Ishibashi said the territorial dispute between Japan and the Soviet Union will be the matter of major concern during his talks with Soviet officials.

Japan must be like France and promote its own diplomacy independent of Washington to tackle the territorial problem, which Moscow claims does not exist, he said.

Ties with China and also with South Korea have to be improved before territorial disputes can be settled, Ishibashi said.

Japan claims sovereignty over three islands and one group of islets off the northern main island of Hokkaido which the Soviet Union occupied in the final days of World War II. Meanwhile, China claims the Senkaku group of islands south of Okinawa, while South Korea controls Takeshima Island which Japan regards as its territory.

Ishibashi said he will ask Soviet Foreign Minister Eduard Shevardnadze to visit Japan as soon as possible.

The Korean Peninsula, trade and economic and fisheries affairs will also be on the agenda during talks with Soviet officials, Ishibashi said.

Ishibashi said he wants to know the Soviet position on the Korean Peninsula in particular as his party hopes to perform some role in bringing peace and stability there.

Ishibashi said he believes Sino-Soviet relations will continue to improve.

FLIGHT, VOICE RECORDERS OF JAL'S B-747 FOUND

OW141045 Tokyo KYODO in English 1039 CMT 14 Aug 85

/Text/ Fujioka, Jumma Prefecture, 24 Aug KYODO--Aviation officials Wednesday retrieved both the flight and voice recorders of a Japan Air Lines jumbo jet which crashed Monday into a densely-wooded mountain slope near this central Japan city, some 100 km northwest of Tokyo.

The discovery of the vital instruments was expected to facilitate the investigation into the cause of the crash of the Boeing 747, the worst single-plane disaster in the world's civil aviation history.

Only four people, including an 8-year-old girl, are so far known to have survived the crash. The remaining 520 who were on board--505 passengers plus 15 crew members--are presumed to be dead. The victims included 22 non-Japanese.

About 150 km from the crash site in the mountainous district of Gumma Prefecture, a fragment which appeared to be a duct of the JAL plane was found floating in Sagami Bay, southwest of Tokyo, over which the plane flew some 40 minutes before it went down.

The object was located near the spot where the plane's vertical tail rudder was recovered Tuesday.

According to the record of radio communications between the pilot of Flight 123, Masami Takahama, 49, and air traffic controllers, at Tokyo's Haneda airport, the pilot said, "unable control," at 6:28 pm 16 minutes after it took off for a flight to Osaka.

Minutes later the plane suddenly veered away from the normal flight path and headed north.

Experts say all these factors indicate that something happened to the tail section, making the aircraft uncontrollable.

At the crash site, some 4,500 police and self-defense force men continued to examine the wreckage Wednesday.

By Wednesday evening, a total of 121 bodies had been recovered and airlifted to a gymnasium in Fujioka for identification.

But only 24 have so far been identified, rescue officials said.

Meanwhile, a team of four officials from Boeing, the U.S. manfuacturer of the jumbo jet, arrived in Tokyo Wednesday to join the probe into the cause of the crash.

U.S. President Ronald Reagan sent a message of sympathy over the tragedy to Prime Minister Yasuhiro Nakasone, government officials said.

The president said, "the National Transportation Safety Board is dispatching exports to Japan to offer the best expertise we have, and if we can do more, please let me know."

KANEMARU ON SPECIAL DUET SESSION, CABINET RESHUFFLE

OW221201 Tokyo KYODO in English 0851 GMT 22 Aug 85

/Text/ Tokyo, 22 Aug KYODO—The Diet (parliament) is expected to hold a 70-day extraordinary session in October to deliberate over key pending bills, including a reapportionment of seats in the House of Representatives, an influential conservative leader said Thursday.

Shin Kanemaru, secretary general of the ruling Liberal Democratic Party, said Prime Minister Yasuhiro Nakasone will delay reshuffling his cabinet and appointing party executives until after the end of the special Diet session.

Speaking at a meeting of young members of the faction headed by ailing former Prime Minister Kakuei Tanaka, Kanemaru said he believed the Diet should be called into session 14 October for a 70-day run.

The meeting was attended by those who support Finance Minister Noboru Takeshita and his political "study group" within the Tanaka faction.

Kanemaru did not rule out the possibility of a dissolution of the lower house during the coming special Diet session, but indicated that simultaneous upper and lower house elections next summer are more likely.

Kanemaru said he believes Nakasone does not want to dissolve the lower house during the forthcoming special session of the Diet, adding that he himself does not want to see it happen.

He said that if the government decides to open a regular Diet session 25 December, "then, we ought to believe simultaneous elections will be possible."

Kanemaru also said that Nakasone, who observed his 1,000th day in office Thursday, may keep the reshuffling of his cabinet to a minimum.

He said the premier appears to have confidence in Finance Minister Takeshita and Foreign Minister Shintaro Abe, the two men regarded as "new leaders" who have a chance to succeed Nakasone when he steps down.

ISRAELI FOREIGN MINISTER TO VISIT 6 SEPTEMBER FOR TALKS

OW171005 Tokyo KYODO in English 0943 GMT 17 Aug 85

/Text/ Tokyo, 17 Aug KYODO--Israeli Foreign Minister Yitzhaq Shamir will visit Japan next month for talks with his Japanese counterpart Shintaro Abe on Mideast peace, Foreign Ministry officials said Saturday.

Shamir, who is also acting prime minister, is scheduled to call on Prime Minister Yasuhiro Nakasone during the 4-day visit starting on 6 September.

In the Shamir-Abe meeting, the Japanese foreign minister is expected to ask Israel to take a flexible stand so that a comprehensive peace will be achieved in the Middle East region, Foreign Ministry officials said.

Abe, who has been active in arrying out Tokyo's diplomacy toward the Mideast, toured Jordan, Syria and Saudi Arabia in July.

While explaining pan's position to work as a neutral nation for improvement of the political climate in the region, Abe is to frankly convey the opinions of the Arab countries he visited, they said.

The Mideast situation has become fluid following a fresh proposal reached last February between King Husayn of Jordan and Yasir 'Arafat, chairman of the Palestine Liberation Organization (PLO).

The proposal calls for withdrawal of Israeli troops from the occupied areas and participation of a joint Jordanian-PLO delegation in an international conference on Mideast peace.

The focus of interest is now whether a dialogue between the joint delegation and the United States will materialize. Israel has opposed the initiative, warning the United States that any contact between Washington and the PLO could jeopardize U.S.-Israeli relations.

In the Tokyo talks, Abe is expected to ask Israel to soften its stand toward the PLO, the Japanese officials said.

Abe will also seek Shamir's views about the Iran-Iraq war and Israel's relations with the Soviet Union, according to the Japanese officials.

NAKASONE TO MAKE 'OFFICIAL VISIT' TO YASUKUNI

OW121348 Tokyo KYODO in English 1140 GMT 12 Aug 85

/Text/ Tokyo, 12 Aug KYODO--Chief Cabinet Secretary Takao Fujinami Monday officially disclosed Prime Minister Yasuhiro Nakasone's intention to pay an official visit to Yasukuni Shrine, dedicated to Japan's war dead, on Thursday, which marks the end of World War II.

Fujinami made the disclosure Monday afternoon when he discussed the problem of cabinet ministers' visits to Yasukuni Shrine with Ryutaro Hashimoto and Tadashi Itagami, both fuling Liberal Democratic Party (LDP) members concerned with the Yasukuni problem.

The three did not agree on the formalities of an official visit or on how to treat "Tamagushi-Ryo" cash donations at the shrine.

They decided to discuss these details on another occasion.

The government leaders and LDP members are still divided over certain points concerning the prime minister's official visit to Yasukuni shring on 15 August, and they are trying to reach a compromise as soon as possible because the 15 August anniversary is just around the corner.

Fujinami was meeting Hashimot and Itagaki for the second time, following his first meeting with them Friday night when Fujinami received a report from the special cuncil on cabinet ministers' visits to Yasukuni shrine.

In compliance with the report, which recommended soft-pedalling religious aspects to ensure the separation of politics from religion, Fujinami disclosed his opinion that Nakasone would not pay "formal" homage to Yasukuni Shrine /words indistinct/ preceding premiers did.

However, Hashimoto and Itagaki, on behalf of the LDP, requested that Nakasone follow tradition and pay formal homage by worshipping at the main worksip hall of the shrine.

As for the "Tamagushi-Ryo" donations Fujinami assumed a passive attitude towards the treasury paying for them, while the LDP members insisted that the treasury should pay.

YASUKUNI ISSUE TO BE EXPLAINED TO ASIAN COUNTRIES

OW131231 Tokyo KYODO in English 1208 GMT 13 Aug 85

/Text/ Tokyo, 13 Aug KYODO--The Foreign Ministry plans to explain to Japan's Asian neighbors about the controversial Yasukuni issue in an effort to stem possible misunderstanding and controversy.

Prime Minister Yasuhiro Nakasone and his cabinet ministers plan to make official visits to the Yasukuni Shinto Shrine on 15 August, the 40th anniversary of Japan's surrender ending World War II.

The Yasukuni Shrine in the heart of Tokyo, once used by the Japanese military to promote patriotism during wartime, enshrines the Japanese war dead, including Imperial Army Gen Hideki Tojo, prime minister during the war.

Previously, prime ministers and cabinet ministers annually visited the shrine in personal capacity only.

But Prime Minister Nakasone wants to make the visit in an official capacity and an advisory panel recently gave support to such "official" visits in recommendations on the issue.

This problem, however, has been the source of much controversy in Japan, official vists being opposed by opposition parties, pacifists, and religious groups who all say that such visits would violate the constitution guaranteeing the s-eparation of religion and politics.

Japan's Asian neighbors have not yet given any clear responses to Nakasone's intention to pay "official" visits to the shrine.

But the PEOPLE'S DAILY, the paper of the Chinese Communist Party, reported on it Sunday, listing the opposing opinion, but not making any comment of its own.

The Hong Kong-published FAR EASTERN ECONOMIC REVIEW also reported the Yasukuni issue, comparing Nakasone's upcoming Yasukuni visit to U.S. President Ronald Reagan's visit to the West German graveyard for Nazi soldiers.

Two South Korean newspapers also reported the Japanese Government's decision on the official visit to the shrine.

The Foreign Ministry fears that the confrontation looming in Japan over the problem may fan up criticism in neighboring Asian countries, especially those which were occupied by Japan during the war.

In such an event, the ministry would explain that the official visits are basically a "continuation" of annual visits to the shrine by cabinet ministers and it does not mean a "change" in Japan's condemnation of its past war acts, ministry officials said.

The ministry will do its utmost to head off a controversy in Asian countries over the Yasukuni issue, and to prevent a recurrence of the 1982 controversy over the historic accountings in Japanese school textbooks, they said.

CEREMONY MARKS ANNIVERSARY OF HIROSHIMA BOMBING

OW060143 Tokyo KYODO in English 0044 GMT 6 Aug 85

/By Antonio Kamiya/

/Excerpts/ Hiroshima, 6 Aug KYODO--To the tolling of temple sirens blared at 8:15 am Tuesday to mark the exact moment of the world's first nuclear attack 40 years ago, while thousands of people at the peace memorial park here offered silent prayers for the more than 200,000 who have died since the atomic bomb was dropped.

Prime Minister Yasuhiro Nakasone, who led the prayers in the solemn ceremony in front of the flower-rimmed memorial cenotaph just 300 meters from ground zero--the place at which the bomb exploded--pledged to work for the "ultimate abolition" of nuclear weapons and said he had strong hopes for the success of a. U.S.-Soviet summit meeting this fall.

The ceremony, attended by an estimated 55,000 people, began at 8:00 am with the dedication of 25,419 new names to the roster of identified late victims of the 1945 blast.

The list, which brings the identified death toll to 138,690, includes 4,165 hibakusha (bomb victims) who have died over the past year. The remaining are the names of victims whose identities were confirmed in the past year.

The bomb was dropped at 8:15 am on 6 August 1945 by a B-29 bomber, and vaporized the city, killing an estimated 118,000 people outright. Another 22,000 had died before the year was out, with the total death toll over the years now estimated at more than 200,000.

Both Hiroshima and Nagasaki, where the second A-bomb fell 3 days later and claimed 70,000 lives, make it a policy to honor the deaths of all A-bomb survivors, whatever the cause.

After the name dedication ceremony, Hiroshima Mayor Takeshi Araki, himself an A-bomb survivor, led dignitaries and representatives of bereaved families in laying wreaths before the cenotaph, to the tune of Masaru Kawasaki's "Song of Prayer."

As the clock struck 8:15, two representatives of bereaved families range the "peace bell" seven times, and the sound was echoed by factory sirens and more than 300 temple bells in the city.

Streetcars, one of the few visages of prewar Hiroshima that remain in this thriving city of 1 million, came to a halt at their stops.

Among the stopped streetcars was a wartime model, with 37 Hibakusha aboard, reliving the attack. The model "651" tram, built in 1942, was about 1 km away from ground zero, and was burned in the rapidly-spreading fires that followed the blast. There are four of the 651 wartime models in operation today.

Outside the peace park, about 600 peace activists staged a "die-in" in front of the well-known atomic dome in memory of the A-bomb victims.

At the end of a minute of silent prayer, Araki delivered the traditional "peace declaration," greeting the audience with "no more Hiroshimas."

"The fates of all of us are bound together here on earth," he said. "There can be no survival for any without peaceful coexistence for all."

Noting that 1985 is international youth year, the grey-haired Niroshima mayor called on the young people of the world to "inherit the spirit of Hiroshima, strengthen friendship and solidarity among themselves, and exert their utmost efforts in the cause of peace."

Along with Nakasone, Araki also urged the superpowers to "take decisive steps" toward "the total abolition of nuclear weapons" at the planned summit talks between U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev.

As Araki wound up his 4-minute speech, 1,500 doves released for the occasion fluttered across the overcast skies above the memorial site.

Nakasone also renewed his "strong determination" to work toward the ultimate abolition of all nuclear weapons.

In a message read at the ceremony, UN Secretary General Javier Perez de Cuellar said the realization of "Apocalyptic" power of nuclear warfare "has galvanized public opinion, and the calls for disarmament have become louder and more insistent."

He said the people of Hiroshima and Nakasaki--"The direct and indirect witnesses of an unforgettable tragedy," bear a message for humankind: such war must rever again occur."

Thousands of people, many of them elderly survivors of the ordeal 40 years ago, began drifting into the peace park at dawn, having come on foot, bicycle, or car holding bouquets of flowers. One elderly, infirm woman was carried in on the back of her son.

By sunrise, the peace park was full of people, the air redolent of the incense burning at some of the approximately 40 monuments and statues, draped with layers and layers of folded paper cranes, that dot the park and the riverside.

Among the participants were some 130 delegates of 63 cities in 22 foreign countries who have come to Hiroshima for the first world mayors' peace conference.

Leonard Bernstein, the famed American conductor invited to take part in a Hiroshima peace concert Tuesday evening, was there, as was Japanese conductor Seiji Ozawa. Together they led an impromptu requiem chorus inside the park before the ceremony.

The 40th anniversary has also attracted nearly 200 foreign journalists representing 52 news organizations in 12 countries, and all three U.S. TV networks beamed the ceremony live to the United States.

A small group of Japanese volunteers also relayed the ceremony in a 20-line live telephone hookup with overseas radio and TV stations in a bid to share the occasion with millions of listeners and TV viewers throughout the world.

HIROSHIMA BOMB VICTIMS HOLD INTERNATIONAL FORUM

OWO41003 Tokyo KYODO in English 0950 MT 4 Aug 85

/Text/ Hiroshima, 4 Aug KYODO--Victims of the atomic bombing of Hiroshima and people made ill by exposure to nuclear test blasts or working at uranium ore mines or nuclear power plants held an international forum here Sunday, the first of its kind.

The 120 participants included 50 foreigners from 14 countries.

Ichiro Moritaki, president of the Hiroshima Prefectural Confederation of A-bomb Sufferers organizations, proposed in an opening speech that a worldwide organization should be created to help "hibakusha" (A-bomb survivors).

Visitors from the United States said the incidence of cancer, premature childbrith and stillbirths is increasing among people living near the nuclear blast test site in Nevada.

The forum ended with a call for victims of the nuclear cycle ranging from exploration for uranium ores to disposal of radioactive waste and nuclear weapons to join hands in pursuit of a society without such victims.

The Japan Council Against Atomic and Hydrogen Bombs (Gensuikyo), a peace organization backed by the Japan Communist Party (JCP), opened a 2-day international convention in Hiroshima Sunday to call for the elimination of nuclear weapons.

Thirty-two foreigners and 110 Japanese took part in the convention.

As part of various events marking the 40th anniversary of the World War II atomic bombing of Hiroshima 6 August 1945, leaders of about 100 cities in 24 countries will hold their first meeting here Monday and Tuesday to discuss world peace.

The city will hold an annual service for the souls of A-bomb victims in the peace memorial park Tuesday. Prime Minister Yasuhiro Nakasone will be among the participants who are expected to reach 55,000.

BRIEFS

NAKASONE RECEIVES SUPPORT FOR THIRD—TERM—Hakone, Kanagawa Pref, 30 Aug Kyodo—Noboru Goto, chairman of the Japan Chamber of Commerce and Industry, Friday expressed here his support for the re-election of Prime Minister Yasuhiro Nakasone for a third term next November. Goto, here to attend a meeting with member of the U.S. Chamber of Commerce and Industry in Japan, said, "the business community has made it a rule to support at any time the cabinet then existing. "Among prime ministers so far, I believe Nakasone has gained particularly high support from businessmen." He was the second business leader to have publicly expressed support for the re-election of Nakasone following Bunpei Otsuki, Chairman of the Japan Federation of Employers' Associations. [Text] [Tokyo KYODO in English 1215 GMT 30 Aug 85 OW]

ABE TO VISIT PRC IN OCTOBER, DISCUSS KOREAS--Cheju, South Korea, 31 Aug Kyodo--Japanese Foreign Minister Shintaro Abe said here Saturday he will make a four-day visit to China from October 10 to attend the first regular foreign ministers' meeting between the two countries. Abe said he will discuss the Korean situation with Chinese leaders during the forthcoming visit. He will also talk with Soviet Foreign Minister Eduard Shevardnadze about the ongoing dialogue between North and South Korea when they meet in New York late September while attending the U.N. General Assembly. Abe said he will also ask the Soviet minister whether the Soviet Union will participate in the 1988 Olympic Games in Seoul. The Korean situation was one of the major topics at the two-day Japan-South Korea regular ministerial meeting which ended in Seoul Friday. Abe was visiting this South Korean island on his way home from Seoul. South Korean leaders told Abe that North Korea is moving closer to the Soviet Union and urged Japan not to expand its ties with North Korea too hastily. Japan has now diplomatic relations with Seoul but not with Pyongyang. The Seoul leaders also asked Japan, through its relations with China and the Soviet Union, to urge North Korea to be sincere in its dialogue with the South. Abe said Japan should conclude its stand on the review of the defense ceiling of 1 percent of its gross national product before he talks with U.S. Secretary of State George Shultz at the U.N. General Assembly. [Text] [Tokyo KYODO in English 1218 GMT 31 Aug 85 OW]

FORMER PREMIER TANAKA RECOVERING 'SATISFACTORILY'--Tokyo, 26 Aug Kyodo--Former Prime Minister Kakuei Tanaka, who leads the largest faction within the ruling liberal-democratic party, is recovering satisfactorily from the stroke he suffered six months ago, his son-in-law said Monday. Naoki Tanaka, a member

of the House of Representatives, told reporters that his father-in-law has recovered so well that he is now able to walk around his room with a walking stick. The former prime minister has regained enough strength to go through with his rehabilitation exercises, his face looks healthy, he sleeps well and he has a good appetite, the younger Tanaka said. He said Kakuei Tanaka has no difficulty in speech for daily communication, but added the former prime minister sometimes has problems with articulating words. His condition is well enough to allow members of his faction to meet him if he wishes it, Naoki Tanaka said. The former prime minister, who has appealed to the high court a lower court's verdict finding him guilty in the Lockheed bribery scandal, is now practicing writing with his left hand, according to his son-in-law. [Text] [Tokyo KYODO in English 1247 GMT 26 Aug 85 OW]

OFFICIAL VISIT OF GANDHI -- Indian Prime Minister Rajiv Gandhi will make a 4-day official visit to Japan beginning 28 November for talks with Prime Minister Yasuhiro Nakasone, official Japanese sources said Saturday. This will be the first official visit to Japan by an Indian prime minister since June 1969 when his mother, the late Indira Gandhi, came to Tokyo. Indira Gandhi made an unofficial Japan visit in 1978. The sources said Rajiv Gandhi is visiting Japan in response to an invitation by Nakasone last November when the Japanese prime minister visited New Delhi to attend the funeral of Indira Gandhi after she was assassinated. While Gandhi is in Tokyo, he and Nakasone will probably agree to the establishment of a science and technology joint committee for promotion of cooperation between the two countries, the sources said. They said Gandhi and Nakasone will also discuss ways to promote cultural links and will exchange views on such international issues as disarmament and a new round of multilateral trade negotiations. Gandhi, who visited the Soviet Union in May and the United States and Europe in June, now wants to expand economic and technology cooperative relations with Japan, they said. On the other hand, the sources said, Japan wants to strengthen its relations with India, which is leader of the nonaligned nations. /Text/ /Tokyo KYODO in English 1137 GMT 24 Aug 85/

SANCTIONS AGAINST SOUTH AFRICA--Japan may stop exporting computer to South Africa as a part of economic sanctions against the country in a bid to press for easing of Pretoria's apartheid policies, Foreign Ministry officials said Tuesday. Bans on the export of computers to be used by police and on sales in Japan of the Krugerrand gold coins issued by South Africa are among possible new measures Japan can take against the country, officials said. They said they had begun studying what kind of further sanctions Japan could take in case it was judged necessary to do so. Last Wednesday, in a special statement Japan called on the Pretoria Government to end its policy of racial segregation and deplored the imposition of a state of emergency in the country. Japan so far has taken a tough stance against South Africa by refusing the exchange of ambassadors, not allowing direct investments by the Japanese private sector, and limiting personnel exchanges in sports, educational and cultural fields.

/Text/ /Tokyo KYODO in English 1033 GMT 6 Aug 85/

VISIT OF GROMYKO'S SON--Andrey Andreyevich Gromyko, son of the chairman of the Supreme Soviet Presidium, will visit Japan next month and hold talks with Prime Minister Nakasone. Mr. Gromyko is scheduled to visit Japan in late

September to attend a Japan-USSR Specialists conference in Yamanashi Prefecture. During his stay here, Mr Gromyko is expected to hold talks with Prime Minister Nakasone around 1 October. At the meeting, Prime Minister Nakasone is expected to ask him to give a message to his father on promoting Chairman Gromyko's visit to Japan, a pending issue between the two countries. /Text/ /Tokyo NHK Television Network in Japanese 1020 GMT 20 Aug 85/

JAPAN-SOUTH KOREA MINISTERS TO MEET--Six Japanese cabinet ministers, including Foreign Minister Shintaro Abe, will attend the 13th regular Japan-South Korea cabinet ministers meeting in Seoul 29 and 30 August. Abe reported to Tuesday's cabinet meeting here. The six will exchange views with their South Korean counterparts at both plenary and separate meetings on bilateral issues, including trade and economic cooperation. The other five Japanese ministers will be Finance Minister Noboru Takeshita; Agriculture, Forestry and Fisheries Minister Moriyoshi Sato; International Trade and Industry Minister Keijiro Murata; Transport Minister Tokuo Yamashita; and Science and Technology Agency Director General Reiichi Takeuchi. /Text/ /Tokyo KYODO in English 0127 CMT 20 Aug 85/

ABE TO VISIT BRAZIL, PANAMA--Japanese Foreign Minister Shintaro Abe will visit Brazil and Panama this fall after talks in New York with U.S. Secretary of State George P. Shultz and other foreign ministers, a high-ranking ministry official said Wednesday. The official said Abe will hold his first meeting with new Soviet Foreign Minister Eduard Shevardnadze while both are in New York to attend the UN General Assembly session in September. The Japanese foreign minister will be visiting Bfazil and Panama after strong requests from the two countries, said the official, who declined to give his name. The Panamanian Government is proposing three-way talks among Abe, Shultz and their Panamanian counterpart possibly on a second canal project there, but such a meeting is unlikely to take place due to Shultz's tight schedule, according to the ministry official. In New York, Abe and Shultz will discuss trade friction and other economic and political issues. Abe, Shultz and their counterparts from Canada, Britain, France, Italy and West Germany are slated to explore ways to fight drug abuse and other problems as a followup to the economic summit in Bonn last May. In his first meeting with Shevardnadze, Abe is expected to urge the Soviet foreign minister to visit Tokyo for consultations on economic and political topics, including the territorial dispute over four Soviet-held Northern Islands that has kept the two countries from signing a peace treaty. /Text/ /Tokyo KYODO in English 1251 GMT 14 Aug 85/

TAKESHITA HOLDS SOSEIKAI MEETING--Finance Minister Noboru Takeshita held the fifth meeting of his "Soseikai" group Thursday, with a new addition pushing membership to 53. Members agreed to hold another session in September and to draw up a political platform by the end of the year. The controversial Soseikai, made up of members of the Liberal Democratic Party (LDP)'s largest faction led by former Prime Minister Kakuei Tanaka, was formed by Takeshita despite opposition from LDP Vice President Susumu Nikaido and other members of the Tanaka faction. The group was inaugurated 7 February with 40 Diet members. At least 50 supporters were necessary to field a candidate for the LDP presidency and thus government leadership. The anti-Soseikai group, led by Hajime Tamura, former minister of both transport and labor, announced a Thursday meeting to

plan a Tanaka faction rejuvenation program following the end of the holiday period. /Text/ /Tokyo KYODO in English 0311 CMT 22 Aug 85/

LDP VICE PRESIDENT U.S. VISIT—Liberal Democratic Party (LDP) Vice President Susumu Nikaido said Thursday he will visit the United States as an LDP representative to help allay rising U.S.-Japan trade friction in September. Nikaido said that in his visit he will seek to mollify sentiment in the U.S. Congress, which is likely to pass retaliatory bills against Japan in autumn. Nikaido will be accompanied by some LDP Diet members, party sources said. Nikaido last visited Washington in late July for talks with U.S. Congress leaders. /Text/ /Tokyo KYODO in English 0643 CMT 22 Aug 85/

JAPAN, USSR PLAN TALKS—The fifth session of Japan-Soviet Union vice—ministerial talks will open at the Foreign Ministry here on 5 and 6 September, the ministry announced Wednesday. Japan's Deputy Foreign Minister Shinichi Yanai will discuss bilateral issues with Soviet Vice Foreign Minister Mikhail Kapitsa. The ministry views the talks as a possible breakthrough in the current cool relations between the two countries, according to ministry sources. The talks will be followed by a new series of dialogues which begins with Soviet Culture Minister Petr Demichev's visit to Tokyo in mid-September. The Japanese side in the September talks is expected to seek to raise the territorial issue over Soviet-held islands north of Hokkaido, as well as the resumption of regular Japan-Soviet ministerial consultations and the question of concluding a peace treaty between the two nations. /Text/ /Tokyo KYODO in English 12'4 GMT 21 Aug 85/

FUJINAMI DEFENDS SHRINE VISIT—Chief Cabinet Secretary Takao Fujinami Tuesday defended as constitutional prime minister Yasuhiro Nakasone's controversial visit last week to Tokyo's Yasukuni Shrine where war dead were enshrined. Fujinami, chief aide to Nakasone, told the house of representatives cabinet committee Nakasone visited the shrine only to remember the war dead and his visit had nothing to do with religion. Pujinami thus rejected an opposition party claim that Nakasone's visit to the Shinto Shrine, which also enshrine wartime Prime Minister Gen Hideki Tojo and other war criminals, violated the constitutional separation of politics and religion. Fujinami said the great majority of the bereaved families of war dead wanted Nakasone and other cabinet ministers to make an official visit to the shrine. Almost all cabinet ministers visited there last Thursday. /Text/ /Tokyo KYODO in English 1141 GMT 20 Aug 85/

MILITARY

CURRENT STATUS OF NORTHEASTERN REGION CSDF REPORTED

Tokyo GUNJI KENKYU in Japanese Jun 85 pp 194-205

[Article by Rokuro Hinoki, a defense problem researcher: "Current Status of the Ground Self-Defense Force (3): The Vigorous Boys in the Northeastern Region--The Northeastern Army"]

[Text] The 9th Division, a defender of strait; the 6th Division, a well-trained and strong unit probably to be diverted north; the Northeastern Army mainly consisting of the vigorous boys in the Northeastern Region, who are tenacious and honest. Some say that the Northeastern Army is not showy, but "probably the strongest army."

Based on the fact that the region was very far and remote from the Yamato Court, which ruled a law-governed state, it is said that this region, "Michinoku" (deep section of the road), was called "Mutsu no Kuni" or "Oshu." "Ezo," the aborigines, lived there and it was no easy task for the central government to control it. Therefore, Tamuramaro Sakanoue was dispatached to suppress the Ezo revolt. A guard station was established at Tagajo (Miyagi) and, at the same time, outpost castles called "fences" were constructed at each garrison in the local area. Just recently in March this year, it was reported that a list of names indicating the birthplaces and ages of serial-numbered soldiers who were drafted early in the Heian era was found at the ruins of the Isawa Cascle (fence) in Mizusawa City in Iwate Prefecture.

In Japan at present, Hokkaido is the front line in defense, but in the old days the Northeastern Region used to be the forefront in Japan's defense.

Partly because of being far from the central government, local powerful clans, such as the Abe, the Kiyohara, and the Fujisawa who opposed the cent.ai government, made their appearance during the period between the late Heian era and the Kamakura era. They battled with expeditionary forces of the central government, which passed their barrier stations such as "Shirakawa" and "Nakoso" and finally brought their ruin. But they left behind legacies such as the Chusonji culture and the Yoshitsune legend.

In addition, down in the Sengoku era, there were many daimyos and small daimyos going it alone at many places. Among them, Masamune Date made his appearance as head of an influential feudal clan. During the Boshin War for the Meiji Restoration, a battle at Aizuwakamatsu, a naval battle off Miyako, etc. took place.

The Northeastern Region was visited by frequent war disasters from ancient to modern times. But with the arrival of the Meiji era in modern Japan, the "Sendai Guard Station" was set up in 1871 at the same time as the initial establishment of the Japanese Army, and then the 2nd Division at Sendai and the 8th Division at Hirosaki were set up successively. Soldiers drafted displayed the naive and patient characters peculiar to people in the Northeastern Region and recorded numerous meritorious achievements at many places from the Sino-Japanese War and the Russo-Japanese War to the end of the Pacific War.

As for the Ground Self-Defense Force (GSDF), a new army of Showa, the "Northeastern Army" (commanding general: Lieutenant General Mitsuaki Yokoji), which exercises general control over six prefectures in the Northeastern Region, was set up in 1960.

At that time, three armies including the Eastern Army and the Middle Army in addition to the Northeastern Army were set up based on the fact that the GSDF adopted the so-called "regional army structure," and the five-regional army structure, including the previously established Northern Army and Western Army, was set up.

There were the 6th Regional Unit and the 9th Composite Brigade under the Northeastern Army when it was inaugurated. But they became the 6th Division and the 9th Division, respectively, based on the subsequent reorganization of divisions and remain unchanged up to now.

The Northeastern Region, which has been a rice-producing zone in Japan since prewar days and also was the military horse-producing area, had been frequently visited by cold-weather damage and floods, and devastated by poor harvests and famines. Such troubles led to farmers being forced to sell their daughters, which formed one of the key causes of the 2.26 Incident. Event at present, there are economic difficulties that require the heads of the families to work away from home in winter.

Probably based on this background, the rate of enlistment in the Self-Defense Force (SDF) is high in the Northeastern Region. In addition to this, the SDF personnel have mostly been "assigned to the posts in their home prefectures," so it is characteristic that they have close relations with the local people. The SDF personnel play the leading part in the big three festivals in the Northeastern Region (Tanabata at Sendai, Nebuta at Aomori and Kanto at Akita), and in the events designed for sightseeing such as Umene at Fukushima, Hanagasa at Yamagata, Funakkonagashi at Iwate, etc.

As mentioned above, it is believed that the patient character of the people in the Northeastern Region has been formed by the influence of the climate in which the people have to steadily endure severe, deep snow winters, but the units under the Northeastern Army are proud of the fact that the vigorous boys in the Northeastern Region are "well-trained and strong" as well as the fact that they are assigned to posts in their home prefectures.

Headquarters of the Northeastern Army (chief of staff: Major General Toshio Tada), a command center corresponding to the brain of this Army, is located at Sendai. In its vicinity, there is Taga Castle (Tagajo), a guard station in ancient Japan. At Sendai, the defunct Japanese Army set up the Sendai Guard Station and also the 2nd Division in 1871. A military preparatory school also was set up. (A large number of those who were graduated from the Sendai Military Preparatory School became generals and served as Chief of Staff or other high-ranking officers in the SDF after the war.) In the SDF era, the headquarters of the 6th Regional Unit was located at Tagajo until the Unit was reorganized into the Northeastern Army. At present, Sendai is the center of administration, economy and culture for six prefectures in the Northeastern Region.

In August 1959, the preparation for the change into the regional army structure was initiated and a preparatory head office was set up in the Sendai Garrison. On 14 January 1960, the formation of the Army was completed. On 19 January, an opening ceremony was held in the snow at the auditorium which used to be a church constructed by the U.S. force within the garrison. The office building at that time was an old two-story wooden building which was constructed in prewar days, but at present the building has been reconstructed into a three-story reinforced concrete building. Thus, it has completely changed from what it used to be.

The Sendai Garrison used to be a supply base in the defunct Japanese Army; in postwar days, it was requisitioned for stationing U.S. forces as "Camp Nigatake" jointly with adjacent Camp Tsutsujigaoka. When the Police Reserve Force was set up, SDF personnel recruited in the Northeastern Region were accommodated in Camp Nigatake which was emptied as the U.S. forces were dispatched to Korea. The Garrison was released from U.S. control and was transferred to the SDF in 1958. At that time, the compound of the present garrison was divided in half and one became Minami Sendai Garrison and the other Kita Sendai Garrison. (classified as a supply depot and a unit) The present back gate facing on the national road leading to Nigatake railway station of the Japan National Railways' (JNR) Senseki Line and Matsushima used to be the front gate. (The present front gate used to be the back gate and is located at the opposite side of the building of the headquarters of the Army.) Formal date of establishing Minami Sendai Garrison was 25 March 1958 and that of Kita Sendai Garrison was 1 May 1958, and both garrisons were consolidated in August 1960.

The division of the area to be guarded in the Northeastern Region before the enforcement of the regional army structure had rapidly changed in accordance with additional establishment of regional units and composite brigades.

At the initial stage of the Police Reserve Force, the 2nd Regional Unit had three prefectures in the northern part of the Northeastern Region in addition to Hokkaido under its control and three prefectures in the southern part were under the 1st Regional Unit. However, after the National Safety Force was inaugurated, the three prefectures in the northern part also were transferred to the 1st Regional Unit. And after that, upon the establishment of the 6th Regional Unit, the Northeastern Region was separated from the 1st Regional Unit and the 6th Regional Unit began to take charge of guarding the Northeastern Region (In addition to this, the 6th Regional Unit took charge of Shinetsu and Hokuriku for the time being.). But after that, the 9th Composite Brigade was organized and took charge of two prefectures, Aomori and Iwate.

On 14 March, the JNR's Tohoku Shinkansen [bullet train line] was extended to Ueno from Omiya where operations tentatively began. Thus, Michinoku and Tokyo were made closer to each other. Based on this, six prefectures in the Northeastern Region have developed various congratulatory "events" emphasizing a "bright" Northeastern Region instead of its former "dark image." It can be seen that in each local area, the SDF garrisoned there cooperates in the events.

By the way, on 10 March, a few days before this extension of the Shinkansen to Ueno, the 53.85-km Seikan [Aomori-Hakodate] Tunnel, the longest in the world, was completed after 21 years and a huge investment of 70 billion yen. This is an undersea tunnel to connect Honshu with Hokkaido by land, but the precise blueprint as to what the method of its use will be has not yet been decided in connection with reconstruction of the deficit-ridden JNR and in what manner the tunnel will be used in the future is unpredictable.

It is the SDF that keeps its eyes on the method of using the Seikan Tunnel in an earnest manner. This is because when an emergency arises in Japan, the Seikan Tunnel as an artery connecting Hokkaido with the mainland of Japan will become a great entity strategically. Especially because it is anticipated that the operational concept will greatly change depending on whether or not this tunnel can be used as MSR (main supply road) when Hokkaido becomes a main battlefield.

There is the precedent that during the Pacific War, the Seikan ferryboats were sunk in the Tsugaru Strait, and the traffic volume between Hokkaido and the mainland of Japan decreased tremendously. At present in peacetime, the JNP's Seikan ferryboats tend to be on the decline because of the use of the civil airways and a privately run "ferry," but it is used by the SDF as an important means to transport supplies. Although it is an international strait, the Tsugaru Strait, in the case of an emergency, is to become an

important point of strategy for blockading by means of installing a "barrier" of mines and for interdicting submarines from passing through the strait, and it is believed that a battle for its offense and defense will be developed. If so, the supply line leading to Hokkaido will be endangered (especially for the GSDF with one third of its total strength deployed in Hokkaido). Moreover, as it is believed that the supply line has to depend on the sea route, if the Seikan Tunnel is probably used as its replacement, its "merit" is highly evaluated by the SDF.

The 6th Regional Unit, the predecessor of the present 6th Division (Commander: Lieutenant General Mizuo Otsuka), was set up on 10 August 1954 immediately after the GSDF was newly organized. The northern half of the east Japan area and six prefectures in the Northeastern Region which the 1st Regional Unit had been taking charge of and Niigata were placed under the guard of the 6th Regional Unit. The 6th Division now takes charge of exactly the same areas as the 2nd Division (Sendai) and 8th Division (Hirosaki) of the defunct Japanese Army used to.

In 1956 when the 9th Composite Brigade was born, Aomori and Iwate were separated, and when the regional army structure was enforced, Niigata was separated. Therefore, the 6th Division has come to take charge of the same area as the present four prefectures in the southern part of the Northeastern Region—Akita, Yamagata, Miyagi and Fukushima.

In 1962 when the reorganization of divisions was conducted, the 6th Division "started" as a "B" division 7,000 strong, but in March 1969 when a combat brigade with one regiment was additionally set up, the 6th Division was upgraded to a division 9,000 strong ("A" division). Based on this, one infantry regiment was deployed in each of the four prefectures under the control of the Division. Nevertheless, the geographical features of the 6th Division covering Akita in the north to Fukushima in the south is vertically long in distance, and, in addition, on the side of the Sea of Japan, the deployment of units is done in Akita only. In both Yamagata and Fukushima, units are deployed in the basins of the Ou mountain system. In Miyagi, the unit is deployed around the Ojoji Training Site.

Headquarters of the 6th Division is located at Jinmachi Garrison in Yamagata. This is the location corresponding to the "navel" of the Northeastern Region. In the era of the 6th Regional Unit, it was located at Tagajo, Miyagi near Sendai, but moved, based on the enforcement of the regional army structure. On 10 August 1954 when the 6th Regional Unit was set up, the formation of Headquarters, the 6th Regional Unit was completed at Nerima. As construction was underway at Tagajo where the headquarters will be located, the headquarters was tentatively open at Fukushima Garrison for the period from late August to mid-December for the time being. At the end of 1954, the headquarters moved to Tagajo and put up its own nameplate. In March 1955, an opening ceremony was held. In conjunction with the inauguration of the Northeastern Army, the headquarters was planned to move to Jinmachi and the move was completed in August 1961.

Jinmachi Garrison used to be a camp for U.S. forces and was used when the Police Reserve Force was inaugurated. The Garrison has a wide ground, about 4 km from east to west and about 1 km from south to north. After the SDF began to use the Garrison, there used to be an area for the government-furnished houses which were remodeled from the houses used by the U.S. force deep in the recesses of the compound. Therefore, there was the time when private "bus" used to run regularly in the compound of the Garrison. At present, the units under the direct control of the Division, in addition to its guard regiment, are garrisoned here. At Yamagata Airport near the Garrison, the 6th Flight Unit in charge of supporting the Division is deployed. As for various units under the Division other than infantry and artillery units, tank and reconnaissance units among others are deployed at Yamato Garrison adjacent to the Ojoji Training Site in addition to Jinmachi and are called the Yamato "Group."

It seems that when an emergency arises in Hokkaido, the 6th Division is likely to be dispatched to Hokkaido as a reinforcement from the Northeastern Army.

The 20th Infantry Regiment (commander: Colonel Itaru Tanaka)

This regiment is garrisoned at Jinmachi, where Headquarters of the 6th Division is located, as its guard unit. As a unit in charge of guarding Yamagata Prefecture, the regiment was dispatched to the big fire at Sakata City. Partly because the regiment is located in the Yamagata basin surrounded by mountains on every side, the regiment is responsible for mountain disaster rescue work on Mt. Chokai, Mt. Gassan, Mt. Zao and the Lide mountain system, etc. and in the cooperation for public welfare, and, at the same time, is taking great interest in mountain training, inheriting the spirit of the defunct 32nd Infantry Regiment which was stationed at Yamagata and fought a good fight on Okinawa.

As mentioned in the paragraph on Headquarters of the 6th Division, Jinmachi Garrison is wide and located in the rural area surrounded by spacious cherry orchards. Just at the back of the Garrison, there is a national road, route 286, leading to Sendai from Yamagata. Therefore, Jinmachi Garrison is within easy access of the Ojoji Training Site and Headquarters of the 6th Division.

Of the four infantry regiments under the 6th Division, three regiments were coincidentally serial-numbered, the 20th, the 21st and the 22nd, until another regiment was additionally set up based on the 6th Division's upgrading to an "A" division in 1969. This is because when the 9th Composite Brigade became independent from the 6th Regional Unit, regiments were additionally set up. That is to say, the 5th Infantry Regiment at Aomori, which had been one of the major regiments of the 6th Regional Unit so far, was to be transferred and placed under other command. Therefore, its subordinate units (battalions) became independent and were upgraded to regiments. Based on this, it happened that these regiments line with each other in the same rank of the order of organization. In other words, these are fraternal regiments.

The 21st Infantry Regiment (commander: Colonel Zuien Chiba)

The predecessor of this regiment was one of the battalions under the 5th Infantry Regiment which moved from Kanazawa to Akita barracks (which were newly constructed at the beginning of 1952) and was upgraded to a regiment in March 1957. The garrison is located at Terauchi Shogun No-Machi in the suburbs of Akita City. It is said that this is because, although there is no relation with General of the Army Terauchi in particular, Tamuramaro Sakanoue reportedly camped there at the time of his expedition to the north. True or not, this regiment aims at becoming "number one" in the SDF by making a strained interpretation that the number 21 [in Kanji] will become "Nippon Ichi [number one in Japan]" when a few strokes are added to it. This regiment is cooperating with the local people by participating in the Kanto festival, a summer sightseeing event, as well as in the relief of the disaster caused by Nippon Kai Chubu Jishin [Earthquake in the Middle Area of the Sea of Japan] in 1983.

The 22nd Infantry Regiment (commander: Colonel Akira Seto)

Tagajo, where this regiment is located, is now a "bedroom town" of Sendai and has Sendai industrial park and Sendai Port, the gateway to Sendai from the sea, in its neighborhood. In addition, there is the greatest train base for the Tohoku Shinkansen in its close vicinity. This garrison is located in the urban area, but this area was a rural area in December 1954 when the 6th Regional Unit was newly set up and inaugurated at the same time as the establishment of its headquarters. Far back in the past before that, this is the place where the Japan's first "castle" (designated as a national historical monument) was built and this place is noted in connection with the national defense.

The regiment stationed here was organized at Sendai and in 1961 moved to Tagajo in connection with the move of the headquarters of the 6th Regional Unit. Partly because this regiment is stationed in the area adjacent to Sendai, the political and economic center in the Northeastern Region, it can be said that this regiment is a unit with the most urban color among the units under the 6th Division, but the regiment inherits the tenaciousness which has been maintained since the 2nd Division of the defunct Japanese Army. In the early morning on New Year's Day every year, the voluntary SDF personnel make it a rule to make a run, stripped to the waist, to pay a first visit of the year to the Shiogama Shrine. Also, the 1st Training Regiment under the direct control of the Northeastern Army is stationed at this garrison (commander: Colonel Isamu Ono) and is in charge of recruit training. The 22nd Infantry Regiment is playing a role, as senior members, of being a model for those "freshmen." In Miyagi Prefecture, as units under the direct control of the Northeastern Army are stationed at Sendai, Funaoka, etc., in addition to the Yamato "Group," the area to be guarded by the regiment is not the entire prefecture, but the northern part of the prefecture.

The 44th Infantry Regiment (commander: Colonel Mitsuaki Murata)

This regiment was newly set up at Fukushima Garrison in 1970 when the 6th Division became an "A" division. Fukushima Garrison was established in 1953. At the beginning, the 3rd Battalion of the 1st Infantry Regiment which moved from Toyokawa was deployed there. After this battalion was designated as a team to be transferred to Hokkaido and moved to Higashi-Chitose in conjunction with the U.S. force's withdrawal to Hokkaido at the same time as the establishment of the 6th Regional Unit in the summer of 1954, the 6th Civil Engineering Battalion was deployed there. Also, the headquarters of the regional unit was tentatively stationed there for the time being until the headquarters building at Tagajo was completed. Based on the reorganization of divisions, the 6th Civil Engineering Battalion moved to Jinmachi and the Independent Civil Engineering Battalion, the predecessor of the Civil Engineering Group, was stationed there. (Substantially, a small number of personnel moved in and only the sign was replaced.) The civil engineering unit had been stationed there until the 44th Infantry Regiment was newly organized.

Although Fukushima is the place where the prefectural agency is located, Fukushima is situated at the northern end of the prefecture. As the 6th Artillery Regiment is deployed at Koriyama in the central part of the prefecture, Fukushima Prefecture is guarded by dividing the prefecture into two areas.

The 6th Artillery Regiment (commander: Colonel Takamichi Yoshida)

Koriyama Garrison was set up in October 1953 when the Independent 32nd Artillery Battalion moved in from Kyushu. At this garrison, the Artillery Battalion became the Artillery Regiment in conjunction with the establishment of the 6th Regional Unit in 1954. There is another garrison at Fukushima in the same prefecture, but the 6th Artillery Regiment had been taking the responsibility of guarding the entire area of the prefecture until the 44th Infantry Regiment was newly set up. The firing drill for artillery unit has been conducted not only at Ojoji, but also at the Shirakawa Nunobikiyama Training Site in the same prefecture. In the era of the regional unit, a part of the direct support battalions was separately stationed in the past. (Two battalions were stationed at Akita and later at Jinmachi.) But at present as all of the six battalions are stationed altogether in the same garrison: it is convenient for command of the battalions. However, from the operational viewpoint, it is a cause of trouble for the direct support battalions of the 21st Infantry Regiment at Akita and of the 20th Infantry Regiment at Jinmachi that the battalions are a long way off from Koriyama. Even if a joint training between infantry unit and artillery unit is planned, as there are no training site and firing range in the surrounding area of the nearby regiments, there may not be much "merit" in separate stationing.

Twenty years have already passed, but when the Tokyo Olympic Games were held, Kokichi Tsuburaya, a runner, competed in a "dead heat" marathon race to the great excitement of spectators at the National Stadium and finished third, which made the Rising-Sun flag fly. The unit he belonged to was the 6th Artillery Regiment. (He joined the GSDF in 1959.) He took part in long-distance relay races in the local area. His performance was recognized and he entered the SDF Physical Training School. He strengthened his running ability and became a runner for the Olympics. He achieved great things in both the 5,000-meter race and the marathon race. However, before the next Olympic Games to be held in Mexico, he killed himself. Commemorating the marathon runner who entered the GSDF, "Tsuburaya Ekiden" (a ten-man "relay" race of 42.195 km, same as a marathon) to be competed company versus company began in 1965, but at present, in addition to the SDF (including units stationed in Fukushima, Otakine "Radar Site," and other prefectures), middle and high schools and enterprise "teams" in the prefecture participate in it. Thus, it has become a "sport" event to be regularly held within Fukushima Prefecture.

The 9th Division (commander: Lieutenant General Kanae Masuoka) to defend Aomori, the northern-most area in the mainland of Japan, with the Tsugaru Strait, an important "point" for the defense of Japan, was newly organized in December 1956. Its predecessor is the 9th Composite Brigade, which was separated and became independent from the 6th Regional Unit.

In the era of the Police Reserve Force, in connection with the idea and deployment of the U.S. forces stationed in Japan, the guard of this area was taken care of by the 2nd Regional Unit with its headquarters at Sapporo in Hokkaido. This is because this was probably based on the U.S. forces' concept that regards the "Tsugaru Strait" as a point of strategic importance. On the basis of such an idea and in connection with the defense of Hokkaido, a composite brigade to take charge of only two prefectures in the northern part of the Northeastern Region was deployed. In other words, this is a unit to defend the place playing a role of a bridge for the defense of the north, a point of strategic importance. Although the Composite Brigade changed into the Division, the role of the unit has been inherited and in the case of an emergency in the northern border, the 9th Division, as a fixed division to secure the logistic "line" toward the northern front, will "back up" the reinforcement action to be taken by the 6th Division. Therefore, it is presumed that the situation of the Seikan Tunnel, the measures to guard the tunnel, etc. will become its big problems.

On the northern front a top priority is placed on the modernization of equipment in the GSDF and the used equipment in Hokkaido--even so, the equipment is satisfactorily operable--will be transferred to divisions on the mainland of Japan. The units in the Northeastern Region used to receive used equipment sent from Hokkaido and have been left behind the most in modernization of equipment, but recently the strategic importance of the units has been receiving the spotlight. (Viewed from another angle, it may be said that the units have been most outmoded.) Probably based on the

influence of the spotlight, new equipment—heavy MAT [missi]c anti-tank] (Type-79 anti-ship, anti-tank guided missile) was introduced at the end of fiscal 1984, in March 1985, to the 9th Anti-Tank Unit of the 9th Division first and foremost among the divisions stationed on the mainland of Japan. And then, in fiscal 1985, the FH 70 (155 mm Howitzer) is scheduled to be provided to the 9th Artillery Regiment and the Type-74 tank to the Tank Battalion sooner than to other divisions.

In the era of the defunct Japanese Army, the 8th Division with its headquarters at Hirosaki in Aomori was deployed in this area. (The 8th Division took charge of Aomori, Iwate and Akita, and later Yamagata additionally.) The soldiers of the 8th Division distinguished themselves in the battle at Kokkodai in the Russo-Japanese War and also were actively engaged in the former Great War; the present 9th Division inherits the heritage of those senior soldiers. Needless to say, it seems that the climate in snow and wind and the characteristics of the division, of which 90-percent are local people, are closely related to the local area.

Headquarters of the 9th Division is presently located at Aomori instead of Hirosaki. In the early days of the Meiji era, Hirosaki, a castle town, was the center of Tsugaru, but Aomori, which developed from a certain fishing village as a point of transport contact to Hokkaido in conjunction with the exploitation of Hokkaido and became the capital city of Aomori Prefecture, is undoubtedly more convenient in one way and another. Moreover, partly because units had been deployed there since the era of the Police Reserve Force, Aomori became the place where the headquarters was set up at the same time as the establishment of the Composite Brigade. The formation of the headquarters of the 9th Composite Brigade was completed on 1 December 1956 at Tagajo where the headquarters of the 6th Regional Unit was located at that time and moved to Aomori by 15 December. At present, the headquarters building is located at a place about 200 m straight away from the front gate of Aomori Garrison. This used to be a two-story gloomy wooden building, but at present is a three-story modern reinforced concrete building.

In Aomori Prefecture, not only headquarters of the GSDF, but also headquarters of Ominato District of the Maritime Self-Defense Force (in addition, headquarters of the Fleet Air Wing 2) and headquarters of the Northern Air Defense Force of the Air Self-Defense Force (in addition, the 3rd Wing and headquarters of the Northern Aircraft Control & Warning Wing) are located. The fact that headquarters of the three Self-Defense Forces are located in the same prefecture is a characteristic which cannot be seen in other prefectures. It might be said that although the mission of each Force is different, Aomori Prefecture is the area of importance for the defense of the north.

On the other hand, if we look at the GSDF only, although the division stationed there is a "B" division, it has four regiments (three infantry regiments and one artillery regiment). However, the number of prefectures for the division to take charge of is two and there are as many as four garrisons. Therefore, the density in the number of the deployed units of

this division is higher than that of other divisions. Moreover, the fact that three infantry regiments are all located in the same prefecture (Aomori) is a phenomenon that can be seen only in the 9th Division.

The 5th Infantry Regiment (commander: Colonel Toshiro Haraguchi)

The 5th Infantry Regiment that played the leading part in the U.S.-Japan combined field training staged in the Northeastern Region in the autumn of 1984 is a unit that has been maintained since the initial stage of the Police Reserve Force. This regiment was organized at Kanazawa and moved to Aomori in 1952. And the regiment had its subordinate battalions at Akita, Hachinoe and Hakodate in the past, but these battalions have formed bases for organizing the new regiments based on the reorganization of the divisions at a later date.

"Five" is a traditional number maintained since the era of the defunct Japanese Army before the establishment of the SDF and related to Aomori. This is because the campsite of the 5th Infantry Regiment of the defunct Japanese Army was Aomori. Therefore, the present regiment is also deeply related to the local area in such a manner as playing a leading part in Nebuta, the summer sightseeing event in Aomori, and is accepted with a feeling of intimacy. At present, the barracks of the 5th Regiment of the defunct Japanese Army was moved to just beside the front gate within Aomori Garrison and has been reserved as a memorial building (a military museum of the garrison) called Shobukan. Reference materials are being displayed there. This defunct regiment is famous for "Hakkoda's death wandering," recalling its Yamaguchi battalion that marched in snow in January 1902. This march was originally planned as a study on operations in snow (in anticipation of the Russo-Japanese War), but ended as an incident of disaster in that as many as 199 of 210 soldiers broke down from hunger, cold and exhaustion. Training in snow is necessary even at present; especially, it is a compulsory training subject in the war to defend the national land of Japan in winter. Therefore, making the best of the lessons of the defunct Army, the training in snow over two nights and three days to cover the same "course" as the one for the defunct Army has customarily been conducted every year as a battle of revenge and the training has already been conducted as many as 16 times so far. Needless to say, today's equipment for action in snow, such as the outfits for protection against cold, the skis, etc. are as different as light from darkness from the old ones.

The 38th Infantry Regiment (commander: Colonel Masatsugu Aoyama)

This regiment is garrisoned at Hachinoe, which used to be a fief of Nambu, on the coast of the Pacific Ocean in the same Aomori Prefecture. Camp Hachinoe, which the U.S. forces had garrisoned, was used for a short period at the time of inaugurating the Police Reserve Force, but at the end of May 1956, when the camp was returned, the SDF was formally garrisoned there. This former camp for the U.S. forces was divided and used by the

GSDF and the Maritime Self-Defense Force (airfield area). The surrounding area of the garrison at the time of its opening resembled a pioneer village in the western part of the United States in the true sense although the garrison is along the national road, Route 4. The compound of the regiment was also full of "barracks" peculiar to the U.S. forces, but at present these barracks were rebuilt and retain nothing of their former images. The two battalions of the 5th Infantry Regiment that moved in the garrison at the same time as the establishment of the garrison (There are four battalions under the composite brigade. The infantry regiment of the regional unit has three battalions.) were 1st and 4th Battalions, which became 38th and 39th Regiments, respectively, based on the reorganization of the divisions.

This garrison is located on the hill in the somewhat northern verge of the center of Hachinoe City, but as the area does not have much snow exceptionally based on its geographical position, training in winter is not affected by snow. In the Hachinoe area including Shimokita Peninsula, the development of the industrial area is being promoted of late. Therefore, to guard the area has become a problem.

The 39th Infantry Regiment (commander: Colonel Shozo Matsuvana)

This regiment was newly set up at Hachinoe Garrison based on the reorganization of the divisions in January 1963. The regiment had remained there for a long time, but moved with the 9th Reconnaissance Unit to Hirosaki Garrison which was newly established in 1968, 5 years later. Hirosaki was originally a military town where headquarters of the defunct Japanese Army was located, but the military facilities were diverted for use by Hirosaki University. etc. after the war and before the SDF was deployed. The invitation of the SDF by the local people bore fruit and the ground of the place with a view of Mt. Iwaki which is located at the outskirts of the city surrounded by the apple field was leveled. And the garrison was set up there, so it has the youngest history among the garrisons under the division. However, this regiment is playing a leading part in making snow sculptures, a winter festival in the local area, in giving a musical performance under cherry trees in spring, Nebuta festival in summer and in beating a drum of "Joppari," cultural asset of the city, and also is getting closely acquainted with the local people by cooperating in helping with pollination of apple flowers. There are a few places nationwide where marching down the street can be done outside the garrison in the event of the SDF Anniversary. This is said to be only possible at Hirosaki which used to be a military town.

As three regiments are deployed in the one prefecture of Aomori, the three areas to be guarded are allotted to the three regiments: the 5th Infantry Regiment takes charge of the central part of the prefecture ranging from Natsudomari Peninsula facing on Mutsu Bay centering on Aomori City to the northern half section of Tsugaru Peninsula including Tappi corresponding to the basal part of Seikan Tunnel; the 38th Infantry Regiment

has the eastern part of the prefecture on the side of the Pacific Ocean including the entire area of Shimokita Peninsula; the 39th Infantry Regiment has the Tsugaru area in the western part of the prefecture on the side of the Sea of Japan. The section the 39th Infantry Regiment is taking charge of includes a long shoreline along the Sea of Japan which is suited to landing and has the best geographical features for the incursion of guerrillas. (There are few human habitations there.) Therefore, the regiment worries about what to do with this.

The 9th Artillery Regiment (commander: Colonel Shigeru Kobayashi)

In connection with the formation of the 9th Composite Brigade (December 1956), this regiment (three battalions) was completely organized at Koriyama in February 1957 on the basis of the 6th Artillery Regiment and moved to Iwate Garrison in August at the same time as the opening of the garrison. Two battalions were additionally set up based on the reorganization of the divisions in August 1962 and the present structure of the regiment was established. In Iwate Garrison, located about 7 km north of Morioka, which is a prosperous terminal of the Tohoku Shinkansen, and in Takizawa Village just beside the Tohoku Expressway at the foot of Mt. Iwate, the 9th Tank Battalion, the Anti-Tank Unit in addition to the Artillery Unit are stationed. The great strength is gathered here due to the fact that the Iwate Training Site is adjacent to the garrison.

Iwate was a fief of Nambu yielding 200,000 koku [1 koku=approx. 5 bushels (of rice)] and was noted as a base to supply military horses in prewar days. The area is a mountain district worth calling Japan's "Tibet" and has been plagued by famine resulting from bad weather due to a cold dry wind blowing down from over the mountains. The regiment is solely taking charge of guarding an area nearly as large as Shikoku with a small population (the density of population is the lowest in Japan.), but there are few major traffic routes leading across the mountains to the Sanriku Coast from the central part of the prefecture on the reaches of the Kitagami River. This forms a disadvantage, because it will take time for the unit to take action.

In the spring of 1984, forest fires took place in many places in Iwate Prefecture and caused great damage. One of the fires was caused by not taking enough care in disposing of the embers after burning dead grass on the Iwate Training Site, and the flying sparks of the fire shifted to the outside of the training site and burnt a poultry-farm, etc. The papers pertaining to the case on the personnel concerned have been sent to the prosecutor's office.

Various Units Directly Under the Northeastern Army

The 2nd Engineer Brigade (commander: Major General Toshiyuki Shikata)

This brigade has its headquarters in Funaoka Garrison located at Funaoka Machi (which has an old castle famous for "Momi No Ki Wa Nokotta") in the southern part of Miyagi Prefecture. The garrison was set up at the time of the establishment of the Police Reserve Force, but was closed in May 1958 for the time being. The garrison was established again in late March 1960, 2 years later, and the Engineer Battalion was deployed there. In August 1961, the Engineer Brigade was newly set up (Sendai) and its headquarters moved to Funaoka in August 1963. As its subordinate units, the 10th Engineer Group (commander: Colonel Saburo Tamamura) reorganized from the Engineer Battalion is deployed at Fukushima and the 11th Engineer Group (commander: Colonel Masakazu Hanawa) at Funaoka. These units are engaged in building up logistic facilities within the regional district and in cooperative activities for the public welfare.

The 2nd Artillery Group (commander: Colonel Katsunoshin Hamada)

This group is the sole heavy artillery unit deployed in the mainland of Japan rather than the Northeastern Region (excluding the Fuji School Artillery Unit of the training unit) and in September 1954, headquarters of the group was newly set up at Fuji, the 109th Battalion (15 cannons) at Utsunomiya and the 110th Battalion (20 howitzers) at Himeji and these units moved to Sendai in March 1958. The group is taking care of public relations with four cities in the surrounding area of the garrison. Tanabata Festival to be held every year at Sendai is very popular all over the country as a summer event for sightseeing, but the SDF cooperates with the event and conducts the "parade" for the "moving Tanabata." The 2nd Artillery Group plays a leading part in it.

The 5th Antiaircraft Artillery Group (commander: Colonel Terunobu Yoneda)

The Hawk Missile Unit stationed at Hachinoe has the air defense mission of the Seikan area. The Rokkasho Antiaircraft Firing Range was set up in 1959 near Hachinoe. This is the second firing range as an antiaircraft firing range of the GSDF following the one at Sata (Kagoshima). Some antiaircraft artillery battalions of the Northeastern, the Eastern and the Middle Armies and the battalion of Antiaircraft Artillery School, etc. will come to this firing range for target practice with live shells. While the firing range is open for target practice, the support unit of Hachinoe Garrison and the firing range unit consisting of the personnel of the 5th Antiaircraft Artillery Group are dispatched for the server of the target practice.

Other Units

"The air corps of the Northeastern Army (commander: Colonel Wataru Kawaguchi)" is deployed at Kasuminome Garrison located in Sendai City, and the regional helicopter unit and the regional flight unit are conducting flight training. The 6th Flight Unit, the subordinate unit, is stationed at Yamagata Airport at Jinmachi and the 9th Flight Unit at Bachinoe Airfield of the Maritime Self-Defense Force.

As for the training units in the region, as mentioned in the paragraph concerning the 6th Division "the 1st Training Regiment (commander: Colonel Isamu Ono) is stationed at Tagajo and "the 3rd Sergeant Training Unit (commander: Colonel Kunio Kayo)" at Sendai.

In addition, the Regional Communications Group (commander: Colonel Makoto Saito), the Regional Armament Unit (commander: Colonel Takashi Kato), the Regional Transport Unit (commander: Colonel Masami Obashi), the Regional Investigation Unit and the Regional Army Band Unit have all their head-quarters at Sendai.

Also at Sendai Garrison, there are the Northeastern Regional Supply Depot (commandant: Lieutenant General Akio Shirai) and the Sendai Regional Hospital (commandant: Major General Yoshihisa Muraoka).

[Correction] -- There were some errors in the names of the commanders of the organizations in the Northern Army. We apologize and corrections are requested as follows:

Takitani should be corrected to Takinomi, commander of the 11th Artillery Regiment of the 11th Division; Takeshi Sugasawa to Noboru Hasegawa, commander of the 1st Artillery Group of the 1st Artillery Brigade; Minoru Yatabe to Masahisa Miyanaka, commander of the 4th Artillery Group of the 1st Artillery Brigade; Chiaki Masamura to Takeshi Sugasawa, commander of the 1st Antiaircraft Artillery Group of the 1st Antiaircraft Artillery Brigade; Masahisa Miyanaka to Takeshi Sakata, commander of the 4th Antiaircraft Artillery Group of the 1st Antiaircraft Artillery Brigade; the 12th Civil Engineering Group (commander: Colonel Hideki Takahashi; Iwamisawa) is added to the 3rd Civil Engineering Brigade.

The Eastern Army will be reported in the next issue.)

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BANKS DEVELOP STRATEGIES FOR INTERNATIONAL OPERATIONS

Tokyo GINKO JIHYO in Japanese Jun 85 pp 26-33

[Article: "'International Strategy Team' Expands"]

[Text] As the money market is liberalized and an era of internationalization emerges, metropolitan banks are formulating long-range strategy for the future. This article is a review of the various approaches taken by leading metropolitan banks in organizing command post structures. Headquarter's organizational structure in particular has been under careful scrutiny to help in meeting the challenge in this uncharted field. A bank without a defined system of action will be left behind in future competition. As electronic banking spreads, more flexible organization and operation will be required. In this series, the historical background and characteristics of the present organizational structure are presented according to areas and firms... Next in the series, the discussion will be expanded into "international transactions."

The eighties is the time for the second round of internationalization of the banking industry. More than 10 years ago, city banks adopted internationalization as an integral part of their management policies.

"Every bank advocated popularization, efficiency and internationalization. These three elements have been the backbone of banking industry management policies. Internationalization, in particular, has become a focal point."

The foreign exchange business came into the spotlight as a result of the Nixon shock of 1971 and the adoption of the floating system in 1973. Before then, the officer in charge of foreign exchange operations was considered to be "in the dark." The foreign department was even nicknamed "island" or "village."

"For some reason, the foreign department has been considered a seaprate section belonging outside the bank's main organization. Employees in the foreign department have been treated as specialists at best, but in reality have been forgotten in normal times."

This is a typical description of the foreign department given by the department staff. Less than 10 percent of bank employees had knowledge of foreign exchange operations. In other words, this illustrates the prevailing attitude that one does not need to know foreign exchange operations in order to become a bonafide bank employee.

This is probably understandable considering that the foreign department used to be organized as a special group. So much so that when a person was assigned to a foreign department, he would consider that to be the end of his career path as a generalist.

This kind of traditional banking mentality was awakened by the slide in the dollar, on which currency throughout the world is based. This was the so-called "dollar shock." Japan's financial institutions were dragged into the turmoil without having a chance to take countermeasures. There is another angle to this. The traditional banking, thinking about foreign operations came to an end as a result of the dollar shock.

There is no doubt that foreign exchange operations came under the spotlight because of a low dollar and a high yen. Understandably, this created chaos in the foreign departments of metropolitan banks. The adoption of the floating system in March 1973 was the first such experience encountered by foreign operations departments and it took many brainstorming sessions involving high-level officials to respond to rapidly changing situations.

"From this point on, bank employees began to recognize the nature of foreign department operations. The importance of exchange dealings began to be appreciated." This is the feeling expressed by an employee who worked in the foreign department at that time.

From this point on, the misunderstood image, often expressed as "the island image" [meaning "isolated from the main organization"] has gradually disappeared. This has led to expansion of the foreign department organization.

Even the name of the unit was changed from "foreign department" to "international department and foreign operations department."

"The term 'foreign department' gives the impression that this department handles only foreign exchange operations. A new name was needed to highlight the concept of international operations."

Foreign exchange transactions can be easily handled by the foreign department. But as Japanese business becomes more active overseas, financing becomes an integral part of overseas operations. In particular, financing through the overseas financial institutions becomes critical.

To respond to such needs, Japanese banks felt the need for establishing financial operations overseas. This is so-called international financing. The foreign department alone cannot realistically undertake such operations. A new organizational structure and more manpower are needed for such operations.

"As for foreign exchange transactions, with specialists in the foreign department, there was really no need to establish a new section. But where financing is concerned, examination and evaluation of loan applications are the central issue. Knowledge and experience in foreign exchange transactions alone does not provide sufficient background to carry out this task. Financing operations in foreign countries involve risk. This gave rise to the idea of establishing a special section to deal with overseas financing operations."

On the other hand, by the middle of the sixties the overseas operations network had not yet been well-positioned and equipped. After that, metropolitan banks hastily began to establish branch offices overseas and operations offices throughout Europe and the United States. The banking industry clearly understood that the first task in internationalizing operations is to maintain a good overseas network.

Thus there was a need for a foreign operations network planning organization incorporating sections to deal with domestic trends and planning.

The international department was born in such circumstances. After the Bank of Tokyo, the Mitsubishi Bank was the first among metropolitan banks to establish an international department. One of the major tasks of the international department was to plan an overseas operations network. Next was to establish procedures for examining cases of international financing which involve overseas loans.

While this kind of organizational transition was going on, the foreign operations department, which was separated from the international department carried out foreign exchange transactions. Most international operations were carried out by two key units: the international department and the foreign operations department. Also a foreign business affairs center was established to concentrate on the foreign exchange transactions.

"When Japan's rapid economic growth slowed down, and as a result, the brake was put on domestic demand for capital banks had to search for new areas of investment. The interest rate decreased steadily and there was less income. Thus the banks were forced to find new sources of income. All of the banks recognized that internationalization of the banking industry was the logical approach to rectifying both these developments."

Since the mid-seventies, internationalization activities have taken priority in the banking industry. There has been a need for employees to be rapidly trained to produce figures on international finance. Overseas branches and operating posts multiplied rapidly. Thus, internationalization swept through the banking industry.

However, the experience of the Japanese banking industry in international operations is very short. In many respects, the banking industry has had to rely on a small group of specialists. From the standpoint both of manpower and organization the banking industry was not really prepared to operate in the international arena. The only exception was the Bank of Tokyo which specializes in foreign exchange operations.

Finally, beginning in the seventies, persons qualified for the international organization began to line up. Sumitomo's international organization is a good example of how the general head office system can be adapted to an organization.

In June 1979, Sumitomo, the first among financial institutions, adopted the general head office system and as a result, Sumitomo's international division went through a corresponding organizational change.

First, an international general headquarters was established. Under the general headquarters, three division headquarters were established including international division headquarters, and international finance division headquarters. These international organizations took care of overseas Japanese firms as well as non-Japanese firms. Non-Japanese overseas firms were handled according to their region. A U.S. Section, Eastern Asia Section, and European Section were established. This kind of regional management was the first of its kind with the exception of that at the Bank of Tokyo.

An international planning section, an international examination section, and an international investment section were established, clearly defining each section's realm of activity.

Sumitomo's international capabilities were better than average and this is attributable to the fact that Sumitomo reorganized its international operations ahead of other banks. This in effect became the driving force for Sumitomo. In 1979, no Japanese bank could match the international organization of Sumitomo. Sumitomo at that time had a general headquarters, three divisions and eight departments for international operations. This somehow intimidated many of the local banks.

Compared with Sumitomo, the international organizations of other banks were on a much smaller scale. Even the Bank of Tokyo had only eight departments: the exchange department, the international investment department, the North American department, the Europe-U.S. department, the Asian department and the international operations department. This is really the same as Sumitomo, but the Bank of Tokyo had more employees in its international organization than did Sumitomo.

Another example of a bank with an international division in its general headquarters is Miwa Bank. There were four sections in this organization: the international section, the international business section, the foreign affairs center and the trade and investment bureau.

Banks organized according to the general headquarters system usually had two or three departments. With this kind of meager organization, these banks needed further organizational refinements. In this regard, Sumitomo pointed the way for international organizations of other banks to follow.

"New organizational structures of other banks were modeled after the Bank of Tokyo and the Sumitomo Bank. The adoption of the general headquarters system gave added momentum to international organization, and all of this led to the policy of expanding activities for overseas profit."

Toward 1980, metropolitan banks began one after the other to adopt the general headquarters system. As a result, international organization went through large-scale organizational changes. A special characteristic of this reorganization is the detailed sectioning of the structure.

One reason for this development is that overseas operations rapidly diversified. From the customary simple foreign exchange business, a new area of operations came into the picture: so-called capital management involving investments and stocks.

The backlog of cumulated loan problems along with the risk to the country became major problems. To achieve responsive management of capital it became organizationally necessary to establish specialized sections.

This was also the case with Sumitomo, which adopted the general headquarters system. Sumitomo subsequently reorganized to incorporate the international planning headquarters and international operations headquarters.

The planning headquarters was in charge of planning and formulating strategy. Under the planning headquarters, five departments were established: international planning, international operations management, international finance, international operations supports and international examination. The international planning department also supervised overall operations. The international operations support department was in charge of the overseas regulatory compliance and funding. The international research department was installed within the international examination department to carry out intensive research and analytical work.

On the other hand, the operations division headquarters was an implementing organization and had a variety of departments; overseas operations, international operations, international finance and regulatory compliance, and international investment. The overseas branches and offices belonged to this organization.

In other words, the overall international division was divided into two major sections: a section formulating strategic plans and a section implementing the plans thus formulated. By forming an "international action group," Sumitomo Bank multiplied its fighting force.

"Even the number of departments increased by two, and work processes became extremely simplified. There do not seem to be more employees at Sumitomo than at other banks, but the sections are clearly organized and well defined just as one would expect of Sumitomo."

According to this point of view, it is not exaggerating to say that Sumitomo is the leader in the field of international banking organization.

What is more interesting is that Sumitomo leaves all other banks behind in accomplishing all of these things. This certainly reflects Sumitomo's flexible and adaptable organizational structure which can respond to various situations.

In the past 4 or 5 years, other banks have begun to show signs of changes. Like Sumitomo, they have begun to enlarge their staffs and expand to give

more emphasis to international operations in response to the varying requirements in time."

Since international operations involve governments and large corporations, operational and structural requirements are more complicated than for domestic operations. Thus, at times, the headquarters organization alone is inadequate to respond to various demands.

"For international operations, it is desirable to have an organizational structure in which the headquarters and the field offices work as one and how the information network is set up is extremely important in making this possible."

At present, there are well over 200 persons on the overseas staff. But the workload for the overseas staff increases day by day. In many cases, the head-quarters offices rely on the information provided by the overseas staff.

As the overseas operating posts are expanded, the number of locals employed reaches four digits.

"International operations involve additional complexity in that Japanese staff alone cannot carry out the required work. Just because an employee can speak the language does not qualify him as a member of the international staff. He should be well-rounded and people-oriented. Another important qualification is for such a person to have an adequate network of contacts."

In establihing the international devision, it is necessary to consider how the division ought to perform in the global environment. Whether the division can reach to the level of cosmopolitan quality or not is far more important than the fact that the establishment meets the need of organization expansion.

In the second half of the eighties "serious internationalization" will certainly be encountered, and therefore, international organizational structure is becoming the focal point for the Japanese banking industry.

Functions of the International Headquarters Organization

Let us now discuss the headquarters system in banking which is the command post for international strategy.

One of the top banks, Daiichi Kangyo Bank, had a very simple organizational structure before adopting the headquarters system; that structure consisted of an international department, a foreign operations department and foreign affairs work centers.

The organization expanded immediately after the headquarters system was adopted. The international headquarters was organized with five departments; with the international planning department in charge of planning basic strategy and policy for international operations and managing planning for overseas branches, offices and operating posts.

The international finance department is in charge of international financial transactions and international stock transactions and its workload is now increasing.

"There is an all-out effort to handle international operations but the load of international finance keeps increasing, particularly as concerns loan applications and stocks."

Extra attention is paid to the issue of credit. An international examination section has been established as an infrastructure for examing credit evaluations and overseeing dealings with foreign governments, international organizations and non-Japanese enterprises.

The international negotiations department also has a part in credit investigations. This department investigates and evaluates the country risk. In recent years, the problem of debt accumulation has become a serious impediment in international financial transactions and thus this department has an important function. This department is also in charge of dealing with foreign banks.

Furthermore, the foreign operations of the domestic office, especially foreign exchange transactions have also given important support to international operations. The foreign operations department oversees important transactions such as deposits and loans. Even office work optimization is planned by this department.

The international funds department oversees funds utilization and operations management. Investigative ability is required in order that this department may carry transactions through to an initial contract.

Leaving aside the Bank of Tokyo, Daiichi Kangyo is second only to Sumitomo in profitability from its international operations. Perhaps this is why it needs to expand its overseas staff.

"The strength of the top banks depends on their ability to acquire overseas projects. Expedient response to every project is the key factor and the organizational structure and manpower should be equipped accordingly."

Fuji Bank adopted the headquarters system in July 1983, and began to practice market-oriented management.

IBG (International Banking Group) is the command post. The infrastructure consists of five departments, six sections and one office. The previous structure consisted of four departments and six sections. There is definitely no sign of expansion.

Let us now examine the function of each department in detail.

The international planning department is in charge of planning overall operations such as strategies for the growth of IGB business. It is a strategic headquarters. The opening, closing and restructuring of overseas branches and offices are the responsibility of this department. The American section is the branch of the infrastructure which takes care of promotion and operation of business in Central and South America.

A special entity of the IGB is the American regional office. In January 1984, Heller Co., a giant U.S. financial operation, was acquired by Fuji Bank, thus

opening the door for a new strategy in the United States. The American regional office was established to firm up the management structure of Heller Co. and reinforce business promotions in North America. A general manager is stationed in the office for overall management. This is the first case of one of our banks having a headquarters structure overseas.

The international management department primarily takes care of loan applications from nonresidents. The international work process optimization section promotes automation of an international network system. The international operations department guides the foreign exchange business of the domestic offices.

Along with this department. the international finance development section takes care of transactions such as 1) foreign currency and surveying and utilization of overseas capital and 2) direct overseas investment, aquisition and mergers.

Another unique feature of this organization is the international projects section which participates in international projects and prepares project proposals.

The international capital and stock department is another active part of this organization. Foreign exchange transactions, international transfer of funds and planning for the ever expanding stock transactions on the international market are key functions of this section.

The international operations department is most often bypassed in the loan business. It includes an Asia-Oceanic section, and regional management is practiced.

As noted previously, Sumitomo is in the lead in international operations, but in March 1984, it acquired Goddard Bank, a Swiss bank, and went further ahead of other banks.

Sumitomo is now a large-scale international banking organization using the general headquarters system but the present organizational level was achieved in April 1984. This timing is closely related to the necessity to respond to the international financial climate at that time. Drastic organizational reform was needed to cope with the situation. The international general headquarters consists of 10 departments and 2 sections. There is also a trade and investment consulting group with a staff of 25 which functions as a support group for the international division providing necessary input such as consultations and seminars on trade, exchange, and overseas investment.

In June 1984, Mitsubishi Bank completed the acquisition of the Bank of California, causing a stir since the acquisition was the largest of its kind by a Japanese bank. This resulted in strengthening operations on the Pacific perimeter and also in establishing a foothold for promoting regional business transactions in the United States.

It was in November 1983 that in order to gain strength in the international arena, Mitsubishi reorganized its international operations according to the general headquarters system. The strategy behind the move was to "give impetus

to international business by expeditious response to customer needs and to establish systematic high quality service through serious efforts to improve the profitability of international operations and through strengthening risk management."

A large-scale organizational reform was implemented in 1981. At that time, the international headquarters was established with only four sections: the international department, the foreign operations department, the international planning department and the office of international operations.

It was soon realized that the organization could not adequately respond to the needs of international operations. And as a result, further organizational reform was carried out. Now, the international general headquarters consists of 5 departments and 1 center.

The international planning department is in charge of overall planning and profit management. The international fund section is a part of this department. The international finance department is in charge of international financial transactions, stock transactions and planning and implementing international projects. There is also a project section as a separate entity to take care of evaluating proposals for large scale projects.

The international corporate finance department maintains a close link with the international finance department, and transactions with the overseas central banks are the primary functions of this department. A middle Eastern section and a Chinese section which promote important transactions are part of this department.

The international management department manages credit investigations for special accounts and keeps abreast of national affairs. Country risk management is also an additional function of this department, and therefore this department is growing in importance. The foreign business department takes care of planning and foreign exchange negotiations for domestic customers.

The Miwa Bank abolished the overall headquarters system in January 1984. This reorganization was contrary to the organizational trend of major metropolitan banks at that time. Naturally the international organizational structure was also affected.

"The idea behind this reorganization was to strengthen business in the international arena and to integrate operations by combining domestic and overseas business." The reorganization was a step toward solidifying the bank's organizational structure.

Until that time, Miwa Bank had a "layered pyramid" structure for international operations. Under the general headquarters of the international division was the international business headquarters which included an international finance department and an international funds department. The international department and overseas operations department were under direct control of international division headquarters.

The reorganization was intended to simplify the complicated structure. While the general headquarters was abolished, an international division headquarters was newly established.

There are five departments under the general headquarters of the international division: the international department, the international finance department, the international funds and stock department, and the international operations department were established to strengthen the function of the international division.

The international funds department was redesignated as the international funds and stock department. This department is in charge of funds and exchange primarily for the purpose of stock transactions. Also a foreign operations department was newly established. Thus an integrated organization was set up to handle foreign exchange business both at home and overseas.

"In most cases a rigid organizational structure is not conducive to coping with changes in the financial world and attaining efficiency. A flexible organizational structure is particularly important for international operations which require responses appropriate to the changing financial climate."

This is Miwa Bank's theory on organization. When the time comes, organizational reform is carried out without hesitation. Miwa Bank has been noted for throwing off the protective blanket of the traditional banking organizational structure. When Miwa feels that its organization is not up to date, the organization is restructured. This is an important point to note about Miwa and is an outstanding asset in international dealings.

Mitsui Bank has had a tradition in international operations long enough to be nicknamed "Mitsui, the foreign exchange operator." Mitsui has staff who are experienced professionals in international operations: in the field of international financing, international funds transactions, and international stocks. Mitsui maintains a large overseas network covering 26 countries.

Mitsui also has adopted the headquarters system, and all of its international operations are under the international division headquarters. There are five departments in the international division headquarters. In addition, there is a planning group. This is a unique feature of Mitsui. This group plans overall business strategy for the international division, establishes basic policies, and interfaces with other departments.

There are five departments in the Mitsui international division: the international department, the international operations department, the international finance department, the international funds department and the international review department. The international review department was newly established in January 1984. This department previously functioned as a section of the international department, but was raised to departmental level to concentrate on credit offers, taking account of international financial conditions such as country risk and international financial instability.

Other departments of Mitsui's international division function very much like those of other banks that recently underwent reorganization. Last January,

in addition to the international review department, two new sections were established. One is the international information section under the international operations department. This section functions as a consulting group, providing consulting services to the various departments in their international activities such as commercial sales introduction, assistance in advancing into overseas markets, and overseas trading and investment so that they can handle the various requirements of internationalization such as transactions, operational activities and funding in timely fashion.

The other new section is the international finance development team under the international finance department. This team was formed specifically to provide assistance in financial activities, in acquiring low interest capital through foreign loans, in long-term utilization of foreign reserves, and in methods of financing projects related to overseas activity. This team is currently very active.

This January, Mitsui Bank formed a new section, the "international personnel section", under the personnel department. This section is the first of its kind among Japanese banks. The object of this move was to consolidate handling of overseas personnel matters. Up to this time, handling of the overseas personnel matters was scattered among various offices; payroll for overseas staff was handled by the personnel department planning section, overseas employment was handled by section one of the personnel department, and training of female employed was handled by the international department.

To consolidate such scattered activity in the midst of the internationalization process, it was necessary to form a section to take charge of the overall operation. As a result, a section was formed to take charge of overall personnel matters in order to expedite work processes and improve efficiency.

In discussing the international operations of Japanese banks, one sees that the Bank of Tokyo is really a major factor. The Bank of Tokyo is the only bank specializing in foreign exchange, and its position as a leading international bank is very solid.

One would go so far as to say that the entire bank is engaged in international operations, and the level of sophistication of its employees and organizational structure is way above those of other banks.

There are 35 overseas branches, 25 offices and 25 local affiliates, and the network covers 48 countries. In this sense, the Bank of Tokyo deserves to be proud as a professional group handling the international businesses.

From the early days, the headquarters organizational structure has been based on the regional management system. North America, Oceania, Central and South America, Europe-Africa, Middle-Near East and Asia are the regional divisions. With this kind of regional structure, the Bank of Tokyo is the only Japanese bank which maintains close contacts with the overseas outposts.

There are almost 9,000 branch employees, many more than at home base. The Bank of Tokyo does a worldwide business in the true sense of the word. It

is not exaggerating to say that in some way every employee of the Bank of Tokyo takes part in international business.

"Because of the skill of its employees and its organizational structure, the Bank of Tokyo is often used as a model by other banks in the field of international operations. Thus, other banks have found various elements of operations by the Bank of Tokyo that could be adapted to their needs."

Unlike other banks, the Bank of Tokyo has not drastically changed its organizational structure. While the other banks change their international business according to the needs of the moment, for the Bank of Tokyo, international commerce is the backbone of its operations.

While most of the metropolitan banks have adopted the headquarters system, the Bank of Tokyo did not need to do so because it is the headquarters of international operations. There are, however, two banks which did not adopt the headquarters system.

One of those two banks is the Yamato Bank. The Yamato Bank already had a structure similar to the headquarters system. Instead of division headquarters, Yamato has the general office system. The units under the international general office, are an international planning department, an international business department and an international operations department. From the functional standpoint, this system is very similar to the headquarters system.

On the other hand, the Taiyo Kobe Bank's organization is very different from all the others. It has only three sections: an international department, an international operations department and a foreign business center. The international department is a neutral working group and is in charge of planning. Under this department are two business offices located in the Tokyo and Kobe headquarters and handling foreign exchange operations. There is some question whether this kind of organization can respond to international business development. Evidently it is adequate to handle the present workload.

By now there is very little doubt that international business has become an important source of the bank's income. The decade from the mid-seventies to the mid-eighties can be considered the period of laying a foundation by training international staff and realigning overseas operating posts. This is the first round of internationalization of the banking industry. The second round in which the success of Japanese banks in the international stage will be determined will take place during the decade beginning in 1985. Undoubtedly, Japanese banks are busy formulating strategy for that second round.

"So far, the subject of a 'world bank' has been discussed as a current issue, but in many cases the perspective has been from the vantage point of the home base. From here on, from the second half of the eighties, every banker must recognize the importance of an international outlook. This kind of feeling is more and more deeply appreciated."

The organizational structure in the international arena is bound to encounter some difficult issues in the future. Especially when the banking business

develops into a "financial technology," and the trend expands to the international stage, the resulting impact on the banking organization structure will be great and the situation is likely to be very complex.

Table 1. Organization of Daiichi Kango Bank

Organization of Daiichi Kango Bank

- 1. International Headquarters
- 2. International Planning Department
- Basic policy planning for international operations, overall management of overseas posts and strategic planning.
- 4. International Finance Department
- Planning, implementation and management of financial transactions and stock operations.
- 6. International Reveiw Section
- Review and management of credit transactions with foreign governments, foreign institutions and non-Japanese overseas enterprises.
- 8. International Public Relations Department
- Implementation of transactions, management, investigation of country risk, and evaluation in dealing with foreign banks.
- 10. Foreign Operations Department
- Planning, implementation, and management of foreign operations for the domestic offices. Strategic planning for optimizing operational procedures related to foreign operations.
- 12. Trade and Investment Consulting Office
- Consulting on trade, overseas investment and other international operating procedures.
- 14. Tokyo Foreign Business Center
- 15. Concentrated processing of foreign exchange business
- 16. Osaka Foreign Business Center
- 17. International Finance Department
- Foreign investment, investigation, and planning for exchange operations, foreign capital utilization, foreign exchange utilization and management.

Table 2. Organization of Bank of Tokyo

March 1979

Foreign Exchange Department
International Investment Department
North American Department
Central and South American Department
Europe-Africa Department
Near Eastern Department
Asian Department
International Operations Department

March 1984

- Capital Section, Exchange Capital Department
- International Investment Department
- North America-Oceania Department
- Central and South American Department
- Europe-Africa Department
- Middle and Near East Department
- Asian Department Chinese Section
- International Operations Department Overseas Operations Management Section Overseas Information Management Section
- Business Planning Department International Finance Development Section

(Compiled: March 31, 1985)

- International Project Department
- International Planning Department

China Committee

Table 3. International Employees

	Internat. HQ	Overseas Dispatch	Local Employees	Overseas Branches	Overseas Offices
Daiichi Kangyo	220	220	500	9	17
Fuji	220	230	500	9	20
Sumitomo	250	400	-	13	23
Mitsubish	290	220	40	8	19
Miwa	260	260	1,000	10	15
Tokai	190	155	740	8	14
Mitsui	230	250	600	11	16
Taiyo Kobe	160	100	190	8	14
Yamato	210	110	170	5	10
Gyova	270	80	120	6	12
Sakioku	100	70	100	5	10
Taku Bank	100	70	120	6	9
Tokyo Bank	480	520	8,630	36	25

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CSO: 4105/311

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October 2, 1985